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Chapter 10 High unemployment and social differentiation

§1. Introduction

Official statistics show that in the first twenty-five years after the Second World War unemployment in the Netherlands never exceeded 5% of the dependent working population but that thereafter the rate rose from around 5% in the mid 1970s to over 15% in the mid 1980s. While the peak now appears to have passed (having stood at 17.2% in 1984 the figure fell to 15.6% in 1985) it is nevertheless generally believed that unemployment will still be around 10% at the end of the decade. Other countries within the Organization for Economic Cooperation and Development have, like the Netherlands, experienced unemployment rates of over 10% for a number of years (the OECD expresses unemployment as a percentage of the entire working population), and OECD countries with less than 5% unemployment are the exception. In 1985 unemployment in the OECD as a whole averaged 8%.

In almost every OECD country the rapid rise in unemployment and its persistence at high levels have prompted debates focusing on growing social inequalities and declining social cohesion. The key words and phrases used in these debates have varied from country to country: in France there has been talk of the "new poor", in West Germany of a "two thirds society", in Denmark of "polarization", in the United States of an "underclass", in Britain of a "north-south divide". In the Netherlands the term "dichotomy" was initially widely used, though now some refer to a class which has been "written off"; the terms "underclass" and "polarization" are also used. In every case, however, the same underlying question is being addressed: what are the social consequences of persistently high unemployment?

This is, of course, a wide-ranging question, and to answer it we must first analyse it into a number of more specific questions. In this chapter of the *Social and Cultural Report* - which seeks to supply answers based on empirical research - the broad question is broken down into five component parts.

Our starting point is that social inequalities were present in the Netherlands, as in other countries, before unemployment began to rise. The first question we address is therefore:

- Are all sections of the population hit by high unemployment, or does it particularly affect persons with certain background characteristics - those who, because of those characteristics, stood at the bottom of the social ladder in more generally prosperous times?

Other components of the broad question distinguished in this chapter are these:

- Have the living circumstances of the employed and the unemployed diverged over time?
- What is the situation of the spouses or partners of the employed and unemployed? of the disabled and pensioners?
- Does *becoming* unemployed mean *staying* unemployed? To what extent is there mobility between the "employed" and "unemployed" categories? Has the position changed as a result of high unemployment?
- Will persistently high unemployment produce a society in which groups or individuals have little contact with one another and may even be mutually hostile?

The next section looks at these five questions more closely, in some cases subdividing them further - the question on living conditions, for example, is divided into questions relating to income, living standards, health and social experience. All the specific questions are also considered in relation to the single question: how far has the persistence of unemployment at levels unprecedented since the war been associated with new social differentiation?

The answers we offer build on earlier *Social and Cultural Reports.* An appendix to the 1978 report pinpointed differences between the living circumstances of the employed, the unemployed and the disabled; the analysis, which was based on the Survey of Living Circumstances carried out in 1977 by the Central Bureau of Statistics, made use of a large number of specific welfare indicators. The chapter of the *1984 Social and Cultural Report* dealing with the distribution and concentration of aspects of welfare

outlined developments in living conditions in the Netherlands between 1974 and 1983; here the material used was taken from four Surveys of Living Circumstances (these are carried out every three years), with particular sections of the population being followed through time. One of the sections covered was that of households whose principal income was a social benefit of some kind, but no distinction was made between different types of benefit. The "quality of life" measures used were combinations of scores for specific aspects of welfare.

This chapter of the 1986 Report deals with the unemployed as a separate category, considering how their living circumstances have changed over time and comparing their living circumstances with those of other groups. We also look at how the differences between the living circumstances of the employed and the unemployed have developed. The "quality of life" indicators used, which are taken from the Surveys of Living Circumstances, relate to various aspects of welfare. In addition data from a range of sources are presented as we seek to answer our questions regarding high unemployment and social differentiation: these concern rates of unemployment at different times among persons with particular background characteristics, changes over a number of years in the extent of mobility between the "employed" and "unemployed" categories, and social relations between the employed and the unemployed.

At this point we should perhaps introduce a comment regarding questions not addressed in this chapter. We are not concerned here with factors other than high unemployment (such as the increasing numbers of married women working outside the home) which may add to social differentiation; nor do we consider whether differentiation associated with high unemployment is greater than long-standing forms of differentiation in society. Such issues cannot be addressed fruitfully until questions regarding high unemployment and social differentiation have been answered empirically and fall outside the scope of this chapter.

The next section deals with the various specific questions on the links between high unemployment and social differentiation. Later sections seek to give empirical answers to each question, while the final section brings the various answers together in an attempt to draw general conclusions.

§2. Aspects of differentiation

Public attention first focused on the notion of a dichotomy in contemporary Dutch society in the course of the Lower House's general debates on government policy of autumn 1984. Since then this notion has been repeatedly rejected, but rejection of a hypothesis regarding one particular form of social differentiation does not dispose of the general question of the social effects of persistently high unemployment. The course of the discussion has clearly shown that this is a wide-ranging question with a number of component parts, that the component questions need to be formulated in gradual rather than categorical terms, and that disagreement on some aspects of the matter may be associated with agreement on others.

Even if we reject the idea of a split society it may be fruitful to retain the notion of a dichotomy as a culmination of, or at least a particular stage in, a process of social differentiation which may operate even though this point is never reached. The starting point of the process need not have been a state of equality and harmony, of course, any more than a dichotomy need be its only possible outcome: social cohesion is lost if society splits into two hostile groups of roughly equal size; it is also lost if the individual members of society have little real contact with one another in the course of their lives. If we are to make fruitful use of the idea of differentiation as a process we must define its various stages; specific questions as to the social consequences of high unemployment can then be related to particular stages in that process.

Various stages in a process of differentiation may be defined by determining *what kinds of difference* may exist, in *what respects,* and *between whom and whom.* In the

sections which follow we start from notions advanced in earlier discussions of the social consequences of persistently high unemployment.

2.1. Between whom and whom?

Various differentiating factors may be distinguished in this connection. In a society without significant unemployment differences still exist in respect of individuals' education, age, sex, ethnic origin, region and so on; even in industrial societies without persistently high unemployment there may be considerable income differences associated e.g. with educational level. Rising unemployment adds another dimension of differentiation, namely the employment position of members of the working population (and under current legislation unemployment normally means a drop in income).

If social differentiation is limited this new factor will tend to cut across the old ones (unemployment will not correlate highly with, for example, educational level); if it is great the old factors will largely coincide with the new (on the labour market the more highly educated will "crowd out" the less educated). As differentiation increases so too does the correlation between unemployment and background characteristics (and the incomes of the employed and the unemployed increasingly diverge). Here the more specific question concerns the extent to which differences between the employed and the unemployed widen as unemployment increases and narrow as it falls.

Individuals, whether employed or unemployed, normally form part of households along with others, and recognizing this fact allows us to define other stages in a differentiation process. If the partners of persons without work do not differ in important respects from those of the employed, then social differentiation is limited; it has advanced further if individuals' unemployment has a marked adverse effect on their partners (or children).
The unemployed are not the only members of society in receipt of social benefits. If social differentiation is slight it may be that only the unemployed are clearly distinguished from the rest of society; if it is more marked other recipients of social benefits may also be set apart. Those receiving invalidity or old-age pensions (for example) may then come to resemble the unemployed in important respects.

2.2. In what respects?

More specific questions on social differentiation thus relate to differences between the employed and the unemployed and between members of their households, and to the position of other social- benefit recipients (the disabled and the elderly) relative to the employed and the unemployed. In what respects may such persons differ? As we have already noted, differences may exist as regards the background factors which underlie inequalities in a society without significant unemployment. A specific question in this connection concerns the extent to which the background characteristics of the employed tend to differ more widely from those of the unemployed as unemployment rises (with unemployment being concentrated among persons with certain characteristics), and the extent to which this concentration disappears as unemployment falls.

Another dimension along which people differ is income, with the unemployed generally having less to live on than those in work. Here differentiation may take two forms: in one the advent of high unemployment simply increases the number of people on low incomes while in the other there is also a widening gap between the incomes of the unemployed and the employed. The question of possible limits to the growing demands which growing unemployment and economic inactivity place on the wealth-creating base (adumbrated e.g. in a 1977 report by the Advisory Council on Government Policy) relates to these stages in a differentiation process.

Income is not the only aspect of individuals' living circumstances which may be considered in this context, and various largely overlapping studies have been made of the other aspects in surveys of unemployment. A 1984 report by a Ministry of Employment and Social Security working party dealt with the effects of unemployment

on individuals' physical and mental health, social contacts, use of time, hobbies and social position. A 1977 Danish study dealt with effects on personality, living patterns, attitudes and view of life, health and the family.

The specific questions which this section addresses concern individuals' health, living standards and social experience, a grouping of welfare indicators related to that used in earlier *Social and Cultural Reports.* Standards of living are closely associated with income, of course, but it is still interesting to note whether all the living-standard indicators show the same differences between the employed and the unemployed in each year. "Social experience" is used here to refer to such factors as numbers of hobbies, social contacts and other activities outside the home and membership of clubs and societies - the kinds of personal and social activity which were shown to decline in the classical study of unemployment carried out in the Austrian village of Marienthal in the early 1930s. Questions regarding living circumstances are thus divided into four component groups covering income, living standards, health and social experience.

Social differentiation may be regarded as limited if unemployment is linked only with reduced incomes and lower living standards; it is clearly more marked if being without work is also linked to poorer health and a narrower range of (or even general reduction in) social experience. The process has gone a stage further if rising unemployment is associated with widening gaps between the employed and the unemployed in health and social experience. In addition the living circumstances scores of the unemployed may be lower when unemployment is high than when it is low.

Questions regarding a particular aspect of living circumstances thus have two variants, on the one hand those relating to changes over time in the absolute scores of the unemployed on a given "quality of life" indicator and on the other those concerning the differences (which also vary over time) between the scores of the unemployed and those of the employed. There is also the question of the cumulation of factors adversely affecting quality of life at a given point in time. The specific questions may be related not only to employed and unemployed individuals but also to other members of their households and to recipients of other forms of social benefit. Issues relating to these last groups will be discussed in a later section.

2.3. The nature of the differences

Social differentiation clearly increases if gaps between groups in society widen over time, but we must also take account of the extent to which particular differences persist at the individual level: we are faced with a persistent difference if e.g. the unemployed tend to remain unemployed while those who have jobs tend to keep them. In recent years it has often been stressed that the unemployment figures present an incomplete picture, since persistent high unemployment could as well be associated with large as with small flows into and out of employment. The less mobility there is between the "employed" and "unemployed" categories, the more marked differentiation may be said to be.

Questions regarding such mobility have been difficult to answer empirically. In September 1985 the Ministry of Employment and Social Security expressed the hope that the first detailed flow figures could be published in the first half of 1986. In this chapter we seek to determine whether there have been any changes in the flows between the two categories by combining such data as are already available into mobility tables.

By determining the extent of the flows into and out of employment we can compare the likelihood of an unemployed person remaining unemployed (or finding work) with that of an employed person losing his or her job (or remaining in work). Now some of the unemployed individuals whose chances of finding a job we calculate in this way will have been out of work for only a relatively short period, while others will have been on the register for a long time: this observation allows us to distinguish other stages in the

process (or points on the continuum) of differentiation. Differentiation may be said to be relatively limited if the long-term unemployed are as likely to find a job as those who have only briefly been without work, while a strong correlation between the duration of unemployment and the likelihood of remaining without work indicates a greater degree of differentiation. The second element relates to the living circumstances of the long-term unemployed: the more they differ from those of the short-term unemployed, the greater is the extent of social differentiation. These aspects of the issue are currently attracting considerable attention.

2.4. Social cohesion

So far in this section we have considered degrees of differentiation in terms of major inequalities. We now turn to the effects of high unemployment on social cohesion, and here too the general question can be divided into a number of component parts reflecting the different ways in which the cohesiveness of a society may be diminished. Two ways are distinguished, albeit the distinction between them is gradual rather than sharp.

Social cohesion may be said to be weak if the unemployed have little contact in their daily lives with the employed, if the unemployed have fewer social contacts than the employed, and if the employed look down on the unemployed. If the scores on such indicators rise with rising unemployment, social differentiation is increasing. In each case weak social cohesion is manifested in a lack of real contact between individuals and groups. Another sign of declining social cohesion is growing dissent, whether in the form of protest action by the unemployed, a spreading conviction that radical change is needed in society or simply diminished faith in democracy; also relevant here are the views of the employed regarding the amount of unemployment benefit. Again, social differentiation is increasing if scores on these indicators rise with rising unemployment.
Criticisms of the thesis of a dichotomy in Dutch society were grounded in part on the absence of any strong unemployed workers' movement. As has been made clear, when we are considering the impact of high unemployment on social differentiation there are many more factors to take into account than just protest action by the unemployed.

In our discussion of degrees of social differentiation we have raised a number of specific questions to which empirical answers may be sought. These are the subject of later sections of this chapter. The topics, with the section numbers in brackets, are as follows:
- the concentration of unemployment among persons with particular characteristics (§4),
- income differentiation (§5),
- living circumstances (§6),
- the households of the employed and the unemployed (§7),
- the unemployed and other social-benefit recipients (§8),
- flows into and out of employment (§9),
- long-term unemployment and living conditions (§10),
- social relations and image formation (§11),
- protest action and confidence in democracy (§12).

After our broad consideration of the social consequences of high unemployment it is perhaps useful to relate to it the various key words and phrases mentioned at the start of the chapter. The notion of a social class which has been "written off" relates to that degree of differentiation where the likelihood of reemployment has become very small. The use of the term "underclass" emphasizes the poor quality of the life of the the long-term unemployed. References to the "new poor" reflect the growth in the proportion of low-income households associated with rising unemployment. The phrase "two thirds society" indicates the proportion of "new poor" (or of the "underclass"?) in a society. The term "polarization" denotes a point in a process of differentiation at which the differences between groups' living circumstances widen sharply. The "north-south divide" mentioned by commentators on the British scene

relates to regional concentrations of unemployment. The existence of a "dichotomy" in society would imply that the unemployed (and other social- benefit recipients) live in less favourable circumstances and that people adopt negative attitudes to one another.

The next section considers the kinds of study which can help us answer the questions adumbrated above, dealing as they do with changes taking place over time; it is predominantly methodological in content. Sections 4-12, which present empirical research findings and seek to answer the various questions using the methods outlined, are written in such a way that those who are primarily interested in substantive results can follow them without first reading the section on methodology (which is itself designed to be accessible to readers unfamiliar with the jargon of methodologists).

§3. Methodology

To answer the questions outlined above we must adopt appropriate research methods, the nature and limitations of which are set out in this section. A distinction must be made at the outset between two types of question, one concerned with individuals at a particular point in time and the other with changes taking place within groups over a period of time.

This chapter seeks to extend beyond the study of associations between individuals' employment status and living circumstances at a given point in time to that of changes *over time* in the differences between the living circumstances of the employed and the unemployed. It is thus diachronic in nature, involving the analysis of time series.

This approach is subject to certain limitations. The study of changes over time requires comparable data for each period, and comparable data on the living circumstances of the employed and the unemployed are available only for 1974, 1977, 1980 and 1983. One of the time series to be analysed thus has only a limited number of measuring points. The comparability requirement has a further consequence relating to the number and sensitivity of the "quality of life" indicators: the indicators used in this diachronic analysis are fewer and less sensitive than those from thoroughgoing studies relating to a single point in time. This may have the effect of forcing us to conclude that differences in the living circumstances of the employed and the unemployed have remained unchanged where a greater number of measuring points and better indicators could well have revealed changes.

The fact that this study is dynamic in nature entails certain differences between it and analyses which relate to only one point in time. These relate to the significance of certain questions concerning causality.

3.1. Micro-analysis

Many studies of unemployment begin with analyses of data on individuals relating to a single point in time. If no differences are found between the living circumstances of the employed and the unemployed certain causal hypotheses can be immediately discounted; if differences are found, however, then new questions can be asked concerning the extent to which they are *due to* individuals' employment status. One possible finding is that the employed have more hobbies than the unemployed. A smaller number of hobbies could be a direct result of unemployment: one might reason, for example, that unemployment produces a tendency to inactivity. Alternatively, the difference may be explained by reference to other factors affecting individuals' living circumstances, such as the familiar ones of age, sex and educational level. The chain of reasoning could then be as follows: the unemployed have fewer hobbies than the employed because on average their educational level is lower and a lower level of education is generally associated with fewer hobbies. If this is the case, then the association between "unemployment" and "fewer hobbies" is not direct and causal but *indirect and purely correlative.*

To answer the "new questions" existing material is often subjected to a new analysis bringing in data on background factors. An assumption is made regarding the causal ordering of the three groups of factors mentioned, with background factors coming

first, followed by employment status and finally living circumstances: the background factors can affect both employment status and living circumstances, while employment status can affect only living circumstances. Living circumstances are the variable to be explained and are assumed not to influence other variables. Employed and unemployed persons with the same background characteristic (e.g. educational level) are then compared, and if no difference is found (e.g. in the number of hobbies) the hypothesis that unemployment is a causal factor is refuted. What initially appeared to be a causal link is shown to be a correlation without causal content. If differences are found, however, then the hypothesis that employment status influences the number of hobbies is strengthened.

This new analysis shows that the difference originally found between the employed and the unemployed can give a false impression of the size of an effect, since part at least of the difference can be ascribed to other factors and thus demonstrates no direct link. It should be noted that if a correlation found between employment status and living circumstances is shown in this way to have no causal content, then a link has been shown to exist between background factors and employment status.

3.2. Macro-analysis

Where differences between the living circumstances of the employed and the unemployed are found at a given point in time the "new question" considered in the previous section is not the only possible next step. An alternative is to check whether such differences, measured over time, correlate with unemployment rates: the absence of a correlation would tend to refute the hypothesis that rising unemployment leads to widening differences between the employed and the unemployed, while if one were found we could go on to consider whether it reflected a causal link. As at the micro-level we can check the role of background factors. These various new questions will be asked if we are interested not in the effects of individual unemployment but in the extent to which rising unemployment is linked to widening differences between the living circumstances of the employed and the unemployed (and vice versa). Such questions were considered in section 2.

To answer these other questions we need data pertaining to different points in time. Before discussing in detail the methods used to analyse such data we must first determine the units and factors to which the questions we seek to answer via our analysis relate. The factors must also be set in their causal priority order.
The *units* considered differ from those relevant to the question whether the unemployment of particular persons is a cause of those persons' poorer living circumstances: in the one case we are concerned with individuals, in the other with populations comprising all individuals investigated at a given point in time. The questions with which this chapter deals are principally macro-questions. Like the micro-questions these relate to the living circumstances, employment status and background characteristics of individuals, but aggregated to form population characteristics. One such population characteristic is the size of the gap between the living circumstances of the employed and the unemployed; another is the unemployment rate; a third is the extent to which unemployment is concentrated among persons with certain background characteristics. All these characteristics can vary over time.

Like individual characteristics, these three *population characteristics* may be placed in order of causal priority. Given the questions we are seeking to answer, the unemployment rate must come first, followed by the concentration of unemployment among persons with certain background characteristics and finally the differences between the living circumstances of the employed and the unemployed. The unemployment rate can affect both the other factors, while the concentration of unemployment can affect only the differences in living circumstances; these last are what we are seeking to explain and do not themselves constitute an explanatory variable.
The position of the background factors in this ordering should be noted. At the macro-

level they stand *between* the unemployment rate and differences in living circumstances, while in the individual analysis they came first. In the case of the micro-questions employment status occupied the middle position, while here it comes first.

We are now in a better position to begin considering the method whereby we set about answering the questions which arise once an association has been found between unemployment rates and differences between the living circumstances of the employed and unemployed. Such an association may reflect a *direct* causal link of some kind (as at the micro-level); alternatively background factors may once again play a part.

What role is played by *background characteristics* in a macro- analysis? Individual characteristics are - as has been noted - aggregated into a population characteristic, namely the extent to which unemployment is concentrated among persons with certain background characteristics. We have also argued that in the ordering of macro-characteristics this characteristic fits between the unemployment rate and differences in living circumstances. This means that a macro-level correlation between unemployment rates and differences in living circumstances may indicate an *indirect causal link,* i.e. one which runs from the unemployment rate, via the concentration of unemployment among persons with particular background characteristics, to the size of differences between the living circumstances of the employed and unemployed. Such an indirect causal link must be distinguished from a mere correlation, of the type discussed earlier, with no causal content: the effect may be indirect, but it is still causal. At the micro-level, once a correlation has been demonstrated one can proceed to a further analysis (taking account of background characteristics) with a view to determining its causal content, if any. At the macro-level, establishment of a correlation between between unemployment rates and differences in living circumstances can also be followed by a further analysis involving background factors; here, though, the purpose is to determine to what extent the link found results from a direct and to what extent from an indirect effect.

These considerations are relevant to certain issues of *causality* and hence to the design of our study. Two main questions arise: first, that of the extent to which a micro-level association between unemployment and living circumstances is a non-causal correlation explicable by reference to background factors and, second, that of the extent to which a macro-level association between unemployment rates and the gap between the living circumstances of the employed and unemployed reflects a direct effect and to what extent an an indirect effect with background factors playing an intermediate role.

The first of these questions may be seen as more urgent than the second, since an observed difference between the employed and the unemployed (found without bringing background factors into the analysis) may give the false impression that a causal effect is present when none is. In relation to the second question an observed link gives not a false impression but at worst an incomplete one, in that we do not know to what extent the causal link found is direct and to what extent indirect. Dividing the overall effect into its direct and indirect components does not, however, alter its size. Because the second question is perhaps less important than the first, it is defensible in a macro-level study to adopt an approach in which issues of causality relating to background characteristics are less to the forefront than in micro-level research. This is not to say that such issues are unimportant at the macro-level: rather do they concern questions which one may justifiably ask once other questions have been answered.

The above considerations also bring out a further point. In seeking to answer the micro-level question data were introduced on background characteristics. Factors which can "explain away" an apparent link are sometimes known as "interfering variables". A link between employment status and living circumstances at the individual level may thus be an apparent rather than a causal link, ascribable to interfering variables. At the macro-level thus would be only half of the story, however,

since here background factors are not *interfering* variables. Concentration of unemployment among people with certain background characteristics represents a particular stage in a process of differentiation; indeed, the existence of such a concentration is postulated in order to explain away an observed link between individual unemployment and living circumstances.
At the individual level it may indeed be found that a difference in living circumstances between the employed and unemployed can be explained away by reference to background characteristics. Since differences in living circumstances between the employed and unemployed form part of a differentiation process, one might be tempted to conclude that no social differentiation had occurred. Such a conclusion would be improper, however, since it involves rejecting a hypothesis regarding *one particular form* of social differentiation by assuming (or confirming) the existence of *another.*

This section has sought to clarify the approach used in the chapter as a whole. One of its conclusions has been that certain issues of causality are less important at the macro-level than at the micro-level. The question of the extent to which a causal link between unemployment rates and differences in living circumstances between the employed and the unemployed is direct or indirect is therefore not dealt with exhaustively in subsequent sections. Other more specific issues of causality will be considered at the appropriate points in what follows. The issues which we have examined in abstract terms in this section will later be considered in more concrete form.

§4. Background characteristics and the concentration of unemployment

Data relating to a single period of time reveal links between many background characteristics and unemployment: for example, in the recent past unemployment has been considerably above the national average in the north and south of the country, while it has been lowest in the central province of Utrecht; the relative frequency of unemployment has been lowest in the 50-54 age group and considerably higher among the under-24s and the 60-64s; unemployment is less common among persons with a high level of education than among those with a low level; and women in the labour force have a greater likelihood of unemployment than men.

In any study to determine the extent of social differentiation a key question concerns the correlation between the rate of unemployment and its concentration among people with certain background characteristics. In 1977 the Advisory Council on Government Policy expressed the hypothesis that increased unemployment had brought with it a further deterioration in the position of disadvantaged groups on the labour market. In this connection it should of course be borne in mind that *someone's* position *is inevitably* worsened by rising unemployment and that the "privileged" may find their position deteriorating along with that of the "disadvantaged". The interesting question concerns the extent to which the *relative* position of people with certain background characteristics worsens as unemployment rises (and improves as it falls), and to answer it we need to consider, for example, changes in female unemployment as compared with male unemployment over a period of time. The relevant data, for the period 1971-1985, are shown in table 10.1.

The first line of the table shows how unemployment rates in the Netherlands moved between 1971 and 1985. The peak was in 1983 and 1984, and if the hypothesis mentioned above is correct the concentration of unemployment among persons with certain characteristics should be greatest in those years.

Where at the start of the 1970s unemployment among *women* was lower than among *men,* now it is higher. This indicates that sharply rising unemployment has been associated with a deterioration in the relative position of women. By dividing the female unemployment rate for each year by the male rate we can calculate relative probabilities of unemployment or concentration ratios. This give a more exact picture. If the ratio is unity no social differentiation is present; the greater the margin by which

Table 10.1 *Probabilities of unemployment, 1971-1985*

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982		1983	1984	1985
												old definition	new definition			
unemployment as a percentage of the labour force	1.6	2.8	2.8	3.5	5.0	5.3	5.1	5.1	5.1	5.9	9.1	12.6	14.3	17.1	17.2	15.6
unemployment rates																
male	1.7	3.0	2.9	3.5	5.0	5.2	4.6	4.4	4.2	5.1	8.2	11.6	13.6	16.6	16.4	14.5
female	1.3	2.0	2.5	3.3	5.0	5.9	6.6	7.5	8.0	8.8	11.8	15.4	16.0	18.4	19.0	18.2
female unemployment index (male = 1)	0.8	0.7	0.9	0.9	1.0	1.1	1.4	1.7	1.9	1.7	1.4	1.3	1.2	1.1	1.2	1.3
provincial unemployment index (Utrecht = 1)																
Groningen	2.6	2.1	1.9	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.2	1.9	1.9	1.8	1.6	1.8
Friesland	2.5	1.9	1.8	2.4	2.4	2.3	2.1	2.0	1.8	2.0	1.9	1.8	1.6	1.5	1.4	1.5
Drenthe	2.7	2.2	2.0	3.0	2.9	2.6	2.4	2.3	2.0	2.0	1.7	1.6	1.5	1.4	1.3	1.3
North Brabant	1.8	1.8	1.9	2.4	2.6	2.3	2.2	2.2	2.0	2.1	1.8	1.6	1.5	1.4	1.3	1.3
Limburg	1.8	1.8	1.9	2.8	3.2	2.9	3.0	3.2	3.0	2.7	2.1	1.7	1.7	1.5	1.4	1.5
age-related unemployment index (50-54 = 1)																
< 19	0.9	1.1	1.2	2.0	3.0	3.9	4.5	5.8	6.2	6.5	7.1	6.3	4.8	4.1	4.2	3.8
19-22	1.0	1.2	1.2	1.5	2.0	2.3	2.4	2.7	2.9	3.0	3.3	3.4	2.8	2.8	2.6	2.4
23-24	1.1	1.3	1.3	1.6	2.0	2.1	2.1	2.3	2.3	2.3	2.5	2.5	2.0	2.1	2.0	1.8
25-39	1.0	1.1	1.1	1.2	1.5	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.5	1.5	1.4	1.3
55-59	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.2	1.0	0.9	1.1	[1]	[1]	[1]
60-64	1.7	1.6	1.7	1.7	1.8	2.0	2.2	2.2	2.3	2.6	2.0	1.7	3.0	[1]	[1]	[1]
unemployed persons with primary education only as percentage of all unemployment							48	46	44	44	42	39		41	39	37
unemployed persons with university or higher vocational education as percentage of all unemployment							7	8	9	8	7	7		6	8	8
unemployed persons of Turkish or Moroccan nationality as percentage of all unemployment	1	1	1	1	2	3	3	3	4	4	4	4		4	4	5

Source: Ministry of Employment and Social Security, Labour Market Reports. Certain absolute figures have been converted into percentages with data in Monthly Social Statistics 26 (1978) 9, p. 814, issued by the Central Bureau of Statistics

[1] The figures are not comparable owing to the ending of compulsory registration for unemployed persons aged 57.5 years and over.

it exceeds unity, the closer the association between being a woman and being unemployed; the greater the margin by which it falls short of unity, the closer the association between being a man and being unemployed. In the recent past the figure has risen slightly, from 1.1 in 1983 to 1.3 in 1985, indicating that the limited improvement in the employment situation has benefited men more than women. This could indicate differentiation occurring at slightly falling but still high levels of unemployment. It may be that the ending in 1983 of the registration requirement for unemployed persons aged over 57.5 years has been the cause of part of the rise through more men than women "benefiting" from the change.

It is also striking that the concentration ratio for women peaked (at 1.9) in 1979, some years before unemployment reached its highest point, whereas it was at a temporary low point (at 1.1) when unemployment peaked in 1983. This situation could be ascribed to a tendency for relatively fewer women than men to register as job-seekers when unemployment is high, but this is unlikely to be a complete explanation. The number of women in the labour force as a percentage of all women - the female participation rate - rose steadily from the beginning of the 1970s onwards, and this trend has continued into the 1980s: in 1979 35% of women aged 15-64 were economically active, in 1985 44% (the figures for men are 79% and 78% respectively). Another element in the explanation could be that the worsening job situation initially hit women harder than men, but that eventually the point was reached where men's privileged position was also adversely affected (though they nevertheless remained in a better position than women). If this reasoning is accepted, rising unemployment is not always associated with increasing concentration. The increasing supply of female labour also explains part of the movement in female unemployment rates.

Concentration ratios for the *northern* and *southern* provinces reveal parallel situations: in 1975 and 1978 the probability of unemployment was 3.2 times greater in the southern province of Limburg than in the central province of Utrecht, and in 1971 and 1980 it was 2.6 times greater in the northern province of Groningen than in Utrecht. These are the years with the most adverse concentration ratios for the provinces whose concentration figures are generally the highest. (Utrecht is taken as the basis of comparison because of its low unemployment rate. Standardization on the basis of another province with low unemployment would not produce substantially different results.) Through most of the 1970s concentration remained high and stable in the northern provinces while rising in the south. After 1978, however, unemployment began to be distributed more evenly across the country, and by 1984 the concentration ratios for Groningen and Limburg had fallen to 1.6 and 1.4 respectively (though the relative likelihood of unemployment in these provinces rose again slightly in 1985). It thus appears that where initially particular regions were hard hit, as national unemployment reached its peak it spread over the whole country like an oil slick - but when the national total began to fall the old regional inequalities reemerged. It should be noted in this connection that the northern provinces are very largely rural in nature and the central and western provinces are predominantly urban, with the southern provinces occupying an intermediate position.

In section 1 reference was made to the "north-south divide" which features in discussions of unemployment in Britain. The above figures provide no firm foundation for believing that rising unemployment has been linked with a widening "west-rest divide" in the Netherlands.

It is sometimes said that unemployment has come to be concentrated in *major cities;* certainly the figures for Amsterdam, Rotterdam and Nijmegen (table 10.2) point in this direction, in that these cities' high unemployment rates exceed those of their

Table 10.2 *Urban unemployment indices for Amsterdam, Nijmegen and Rotterdam, 1979-1985*

	1979	1983	1984	1985
Amsterdam (North Holland province = 1)	1.6	1.3	1.4	1.5
Nijmegen (Gelderland province = 1)	1.4	1.5	1.6	1.6
Rotterdam (South Holland province = 1)	1.7	1.5	1.5	1.6

Source: Labour Market Report 1984, p. 53, and Labour Market Report 1985, p. 60; Ministry of Employment and Social Security.

Table 10.3 *Male unemployment in Rotterdam related to educational level and district, 1981 (in percent)*

	urban renewal areas	second ring zone	other Rotterdam
primary only	25	18	12
MAVO, LBO[1]	19	8	5
HAVO, VWO, MBO[2]	12	6	4
HBO[3], university	18	9	2

Source: Doorn H., Work and unemployment in Rotterdam and Rijnmond, a regional presentation of the 1981 Labour Force Census and report on districts within Rotterdam, Municipal Research and Statistics Bureau, July 1982, pp. 220 en 223

[1] Lower-level general and vocational education.
[2] Upper-level academic, general and vocational secondary education.
[3] Higher vocational education.

Table 10.4 *Local unemployment indices within Rotterdam, 1981-1985*

	1981	1983	1985
urban renewal areas	2.3	2.4	2.4
second ring zones (remainder of Rotterdam = 1)	1.5	1.5	1.7
unemployment in Rotterdam as percentage of labour force	11.1	18.4	17.1

Source: Rijnmond Authority and Municipality of Rotterdam, Research and Statistics Bureau, regional presentation of the 1981 Labour Force Census, table 38, and the 1985 Labour Force Census, table 39

surrounding provinces. However, while national and provincial unemployment has fallen in recent years the concentration ratios for these cities have risen. Moreover the ratios were slightly higher at the end of the 1970s than they are now. The link between provincial unemployment rates and the concentration of unemployment in major cities thus appears to be limited.

It may also be that within our major cities unemployment is concentrated in particular *areas* and that rising unemployment hits some areas harder than others. Data from the 1981 Labour Force Census for Rotterdam (Central Bureau of Statistics) show that unemployment is higher in urban renewal zones than elsewhere and that this difference cannot be ascribed to differences in the educational level of the areas' working population (table 10.3). Comparisons of the results of the Labour Force Census for Rotterdam for 1981, 1983 and 1985 provide a weak indication that the rise in unemployment from 1981 to 1983 was associated with an increase in its concentration in urban renewal areas; however, the fall in unemployment between 1983 and 1985 has not been associated with any decline in the concentration in urban renewal areas and second ring zones (table 10.4).

In 1981 the probability of unemployment was 7.1 times greater among the under-19s than in the 50-54 *age group* (table 10.1). This is the highest single-year concentration ratio for the age group whose ratios in general are highest. Thereafter the figure fell gradually, dropping to 3.8 in 1985. Since 1981 the concentration ratios for the 19-22, 23-24 and 25-39 age groups have also fallen. The abolition in 1984 of the registration requirement for unemployed persons aged over 57.5 years means that the most recent usable figures for the 55-59 and 60-64 age groups date from 1983. The relative likelihood of unemployment for those in the 60-64 age group rose almost without interruption from the beginning of the 1970s onwards, while in the 55-59 age group the position

remained relatively stable. A possible explanation is that burden of falling labour demand was initially shifted onto new entrants to the labour market, so that other age groups were not hit until unemployment had risen somewhat further. Here again the concentration ratios reached their peak before the overall unemployment rate did so.

While the Ministry of Employment and Social Security publishes the absolute totals of employed persons with particular *educational backgrounds,* these are not expressed as percentages of the relevant groups within the working population. (The classification of educational levels used in the Labour Force Censuses does not correspond, particularly in its middle range, with that used by the Employment Offices, so that the numbers of unemployed persons with a particular educational background cannot be related to data on the working population.) We have therefore set about interpreting the figures that are available as follows.
Between 1977 and 1985 the proportion of unemployed persons having completed only primary education fell from 48% to 37% (table 10.1), while Labour Force Censuses show that over the same period the proportion of the working population with this educational background fell more sharply still (from 30% to 15%). This implies that the concentration of unemployment among those with the lowest level of education has increased. At the other end of the scale the proportion of unemployed persons with higher vocational or university qualifications was 7% in 1977 and 8% in 1985, with slight fluctuations over the period showing no underlying trend. Since Labour Force Censuses show that the proportion of the working population with this educational background has increased, this implies that unemployment has become less concentrated among the most highly educated. What is not clear is the extent to which these changes in the association between educational level and unemployment are to be ascribed to a shifting of the burden onto the least educated, to a fall in the number of unskilled jobs or to other factors.

While numbers of unemployed persons not of Dutch *nationality* are not normally expressed as percentages of that section of the working population which is of the nationality concerned, in certain cases we can nevertheless draw conclusions regarding the extent of concentration. Since the beginning of the 1970s the number of unemployed persons of Turkish or Moroccan nationality has gradually risen from 1% to 5% of total unemployment (table 10.1), while the proportion of Turkish and Moroccan nationals in the workforce as a whole rose from just under 1% in 1971 to just under 2% in 1981. This implies an increasing concentration of unemployment among persons of these nationalities (see also chapter 13).

The general *conclusion* to be drawn from this section is that rising unemployment initially hit certain groups within the working population harder than others, but that these other groups lost their relatively favoured position as the rise continued. Certain of the groups which were initially hard hit seem now to be deriving relatively little benefit from the current fall in unemployment.

§5. Employment, unemployment and income

In the Netherlands social-security legislation is the main determinant of the incomes of the unemployed and of the income differential between the employed and unemployed. Until 1985 the Unemployment Insurance Act provided for payments to the unemployed equivalent to 80% of their most recent wage, while the Unemployment Benefit Act (which takes effect once entitlement under the Unemployment Insurance Act has expired) provided for payments of 75%; since 1985 both Acts have provided for payments of 70%. This change has helped widen the income gap between the employed and the unemployed while narrowing differences among the unemployed. The *1986 Financial Statement on Social Security* referred to a "compression of the benefit structure".

In the longer term income differentials between the employed and the unemployed are also a function of the composition of the two groups. As a rule women earn less than men, younger employees less than older employees and the less educated less than the

Table 10.5 *The incomes of the unemployed and disabled, 1977-1983*

	1977	1979	1981	1983
1 number of WW, WWV and RWW[1] beneficiaries (x 1,000)	197	200	371	647
2 total WW, WWV and RWW benefit paid (in millions of guilders)	3,483	3,841	7,454	13,440
3 average gross WW, WWV and RWW benefit (in guilders)	17,680	19,205	20,092	20,772
4 ratio of net to gross benefit	0.75	0.79	0.80	0.81
5 average net WW, WWV and RWW benefit (in guilders)	13,260	15,172	16,074	16,825
6 total work carried out by persons in public or private employment (in thousands of working years)	4,040	4,146	4,117	3,919
7 wages and salaries (in millions of guilders)	123,470	143,360	155,080	159,790
8 average gross pay per working year (in guilders)	30,562	34,578	37,668	40,778
9 ratio of net to gross pay	0.73	0.72	0.68	0.68
10 average net pay per working year (in guilders)	22,310	24,896	25,614	27,726
11 average gross WW, WWV or RWW benefit as percentage of average gross pay per working year (in percents)	58	56	53	51
12 average net WW, WWV or RWW benefit as percentage of average net pay per working year (in percents)	59	61	63	61
13 number of WAO beneficiaries (x 1,000)	343	476	519	542
14 total WAO benefit paid (in millions of guilders)	6,996	9,910	11,560	13,134
15 average gross WAO benefit (in guilders)	20,396	20,819	22,274	24,232
16 ratio of net to gross benefit	0.82	0.79	0.78	0.75
17 average net WAO benefit (in guilders)	16,725	15,949	17,374	18,174
18 average gross WAO benefit as percentage of average gross pay per working year (in percents)	67	60	59	59
19 average net WAO benefit as percentage of average net pay per working year (in percents)	75	66	68	66
20 average net WW, WWV or RWW benefit as percentage of average net WAO benefit (in percents)	79	95	93	93

Sources: Lines 1, 2, 13 and 14: various Central Bureau of Statistics handbooks
Lines 6, 7 and 8: the National Accounts for 1983 and 1984, CBS
Lines 4, 9 and 16: surveys of the use made of public services, 1979 and 1983, and surveys of housing need, 1977 and 1981, Social and Cultural Planning Office

[1] WW, WWV and RWW are the abbreviated names of the three unemployment benefit schemes; WAO is the invalidity benefit scheme.

highly educated, and - as the previous section noted - women, younger employees and those with least education were hit relatively hard when unemployment first began to rise, implying a widening gap between the incomes of the employed and the unemployed even before the January 1985 changes. The rise in the proportion of long-term unemployed (see section 9) would tend to have the same effect. Developments tending to offset such a divergence have included lower rates of pay for new employees and the fact that pay increases have not exceeded the levels set in collective agreements. This leaves open the question of the aggregate result of these sometimes opposing tendencies.

Little data is available to provide a quantitative answer to this question, especially if we wish to focus on net incomes. For the years 1977, 1979, 1981 and 1983 we have made estimates, using data from various sources, of the average income of an unemployed person in receipt of benefit under the relevant legislation expressed as a proportion of the average annual wage. In the case of gross income the proportion gradually fell from 58% in 1977 to 51% in 1983, while in that of net income a fall was registered (from 63% to 61%) only over the period from 1981 to 1983: in the earlier years of the period the proportion actually rose (from 59% to 63%). The difference between the gross and net pictures indicates that tax and contribution changes have tended to moderate one differentiating effect of unemployment.

We conclude that between 1977 and 1981 rising unemployment was not associated with any widening gap in net incomes between the employed and the unemployed, while between 1981 and 1983 there was a slight increase in the differential. No data are available on income differences since 1983.

§6. Living standards, health and social experience

The living circumstances of the employed and the unemployed may differ in other respects than income, and this section focuses on three such: living standards, health and social experience. The material used comes from the 1974, 1977, 1980 and 1983 Surveys of Living Circumstances (the 1986 results were not available at the time of writing), so that our findings relate to a period of rapidly rising rather than high and stable unemployment. The number of unemployed persons covered particularly by the earliest Surveys was small and there is evident danger in drawing conclusions on the basis of such small samples; this is to some extent offset by the use of a large number of indicators for living standards, health and social experience.

Two points need making with regard to these indicators. First, while e.g. "number of hobbies" is used as an indicator of social experience it also has a material side and thus reflects standard of living. It has nevertheless to be included because of the light it may throw on current hypotheses regarding unemployment and living circumstances. Second, an indicator such as "number of consumer durables" tells us something not only about the individual concerned but also about the rest of his or her household. The households of the unemployed are the subject of section 7. For the exact derivation of the various indicators, see appendix 6 to the *1984 Social and Cultural Report.*

6.1. Living standards

If the income of the unemployed is lower than that of the employed their living standards will differ correspondingly. From the viewpoint of the study of social differentiation it is interesting to consider whether all the indicators of living standards show differences between the employed and the unemployed at a given point in time: if they do, then we can speak of a situation of cumulative disadvantage. Secondly we can ask whether the differences remain constant over time, and thirdly we can examine the changes over time in the scores for the living standards of the unemployed themselves. In connection with these questions it is important to bear in mind Beljon's finding, based on a one-off study of unemployed persons in the Netherlands carried out in 1970, that reduced spending on household equipment and furnishings and reduced spending on leisure activities were relatively important adjustments to income loss due to unemployment, and low spending on housing an unimportant one.

In 1983 the unemployed were less likely to own their own home than the unemployed and on average their homes had fewer rooms and were in worse condition structurally. The proportions of car-owners and persons holidaying away from home were lower among the unemployed, who also owned fewer consumer durables. The only exception to the general rule that the living standards of the unemployed are lower than those of the employed is the curious finding that the unemployed are more likely to live in a detached house. In 1974, 1977 and 1980 too the scores of the unemployed on these standard-of-living indicators were, virtually without exception, lower than those of the employed (table 10.6). There is thus a situation of cumulative disadvantage.

Table 10.6 *The personal circumstances of persons in work and the unemployed, 1974-1983*

	1974		1977		1980		1983	
	in work	out of work	in work	out of work	in work	out of work	in work	out of work
percentage living in detached house	20	20	19	13	17	14	18	21
physical condition of dwelling (1 = good, 7 = poor)	2.5	3.3	2.8	3.0	2.0	2.7	2.6	2.8
average number of rooms (not sublet)	4.5	3.9	4.6	4.3	4.9	4.4	4.5	4.3
percentage of owneroccupiers	41	25	47	25	50	16	54	38
average number of consumer durables owned	3.2	2.7	3.8	3.0	4.2	3.4	4.2	3.9
percentage of car owners	75	61	80	61	89	69	86	71
percentage holiday away from home in preceding year	65	60	69	54	.	.	72	51
average number of serious medical conditions	0.04	0.05	.	.	0.05	0.10	0.05	0.06
average number of other medical conditions	0.26	0.70	.	.	0.40	0.63	0.50	0.60
percentage hospitalized in preceding year	6	11	8	5	8	14	6	7
average number of psychosomatic complaints	1.8	3.7	2.2	2.8	2.1	2.9	2.0	2.4
percentage using alcohol	.	.	.	.	88	84	84	77
percentage smoking	.	.	.	.	57	73	50	57
percentage taking part in sports	60	48	65	63	67	67	72	68
average number of hobbies	1.9	2.2	.	.	2.0	2.3	2.1	2.4
average number of activities involving going out	0.54	0.39	.	.	0.55	0.75	0.52	0.67
percentage of members of political parties	8	3	10	7	13	4	9	5
percentage of members of trade union or employers' organization	36	14	39	21	40	24	37	15
percentage of members of clubs or societies	49	44	68	58	58	57	58	53
	(2,368)	(64)	(1,849)	(57)	(1,442)	(51)	(1,745)	(149)

Sources: Surveys of Living Circumstances, 1974, 1977, 1980 and 1983

Certain of these associations between standard-of-living indicators and employment status raise issues of causality. It is hardly likely, for example, that lower-grade housing is a consequence of individual unemployment: people do not move house that frequently. Such an association may indicate that unemployment is concentrated among people with certain background characteristics, and that it is for this reason that poor education, unemployment and low-grade housing tend to cumulate. Other kinds of causal interpretation are also possible: it might be argued, for example, that poorer housing tends to be concentrated in certain districts and that residents of those districts are less likely to be taken on by new employers. Such reasoning is less plausible, however, in the case of such indicators as "holidaying away from home".

The questions we seek to answer in this section relate not so much to the exact nature of differences between the employed and unemployed at a particular point in time as to changes in those differences over time. One might expect the gap to have widened, given that (as section 4 showed) between 1974 and 1983 unemployment tended to become more concentrated among persons with certain background characteristics and that (as section 9 will show) the proportion of the long-term unemployed has risen. However, the data presented in table 10.6 do not indicate an unambiguous trend towards a widening gap between the employed and unemployed: in the case of housing, for example the gap appears rather to have narrowed, while in that of holidays it has clearly widened.

One possible explanation for these somewhat ambiguous findings is that some standard-of-living indicators respond more rapidly than others. Those who *own* consumer durables, for example, would gain little benefit from their sale following loss of employment, while the frequency with which families holiday away from home would be a sensitive indicator of living standards. However, such assumptions would require underpinning by other empirical material before they could be endorsed.

Reference was made earlier to Beljon's finding. It may also be that the average duration of unemployment and its concentration among people with certain characteristics have not increased to the point that our indicators would register changes. Indeed, the findings reported in section 5 regarding relative changes in the net incomes of the employed and the unemployed would not lead us to expect the gap to widen over time.

We turn now from the extent of differences between the employed and the unemployed to the absolute scores of the unemployed on certain standard-of-living indicators. In 1983 the unemployed were better housed, were more likely to own a car and owned more consumer durables than in 1974, albeit on a few indicators the rising trend was interrupted in 1980. The frequency of holidays away from home declined, however, supporting the assumption that this is a sensitive indicator of changes in living standards.

In sum, out of a large number of indicators some point to an absolute improvement in the living standards of the unemployed between 1974 and 1983. However, the frequency of holidays away from home (perhaps the most sensitive indicator of income changes) points towards an absolute as well as a relative worsening in the position of the unemployed.

6.2. Health

Research into associations between health and unemployment shows the unemployed to have slightly more physical problems than the employed and significantly more psychological problems. In part these differences are the result of unemployment, in part they reflect a process of selection by health at the time of redundancy. This section does not seek to resolve such issues of causality, however. The questions we address concern, first, the extent to which the physical and mental health of the unemployed alters with the rate of unemployment and, second, the extent to which health differences between the employed and the unemployed widen as unemployment rises.

In 1983 the unemployed had, on average, more health problems, both acute and chronic, than the employed; they were more likely to have been admitted to hospital in the preceding year and they suffered from more psychosomatic complaints. The data for 1974, 1977 and 1980 reveal a broadly similar picture. As regards unhealthy practices, in 1983 the unemployed drank less alcohol than the employed but smoked more. Because smoking and drinking were not covered by previous Surveys of Living Circumstances we cannot compare the 1983 picture with the situation in earlier years.

These findings raise a number of causality issues which, though we shall not seek to resolve them, need to be explored briefly at this point. The differences found between individuals can be interpreted as a consequence of unemployment; another possible explanation is that health worsens with age and that the unemployed are, on average, older than the employed; a third is that persons in poor health are more likely to be made redundant and less likely to find new employment. These explanations, which are not mutually exclusive, serve to indicate what different types of interpretation may be put on the data. The material provided by the Surveys of Living Circumstances does not allow us to evaluate their tenability.

The finding of cumulative disadvantage in the area of health may be considered significant. We can go on to ask whether such cumulation is constant over time. Comparing the data from the four Surveys shows that there is no clear trend towards a widening health gap between the employed and unemployed; indeed, in absolute

terms the average number of psychosomatic complaints among the unemployed appears to have fallen (table 10.6).

Summing up, these data indicate that the lower standard of living of the unemployed is coupled with poorer physical and mental health, though higher unemployment rates are not associated with poorer health, either absolutely or relatively, on the part of the unemployed. It is stressed that the available material does not permit us to go beyond the observation that an association exists between unemployment and poorer health to the resolution of the causality issues involved.

6.3. Social experience

Perhaps the most telling findings yet made regarding the social experience of the unemployed relate to the Austrian village of Marienthal in the 1930s. The unemployed have more time for (for example) reading, and after the closure of the textile factory which was the village's main employer charges for borrowing books from the local library were abolished: but the library had more users before the closure than after, and the number of books borrowed per user was higher - despite the increase in leisure time, and despite the fact that the stock of books had recently been increased by the purchase of a library from a nearby village. This finding was one of the factors which led the Marienthal researchers to refer to the "shrinking social experience" of local people. A finding which points somewhat in the same direction has also been made in this country: an appendix to the *1978 Social and Cultural Report,* analysing data from the 1977 Survey of Living Circumstances, concluded that "unemployment is not associated with increased activity outside the sphere of work, despite the extra time available".

In 1983 the unemployed were less likely than the employed to belong to a political party, trade union or similar organization, or other club or society. They also engaged in less sporting activity. They went out more often, however, and had more hobbies at home. In 1974 the unemployed also had more hobbies than the employed but went out less often; they were also less likely to belong to a political party, trade union or other club or society. The picture was much the same in the intervening years (10.6). There is thus only a limited association between unemployment and narrowed social experience.

As table 10.6 shows, the size of the differences between the employed and the unemployed on these various indicators has shown no clear trend over the years. One obvious explanation for the fact that in 1983 the unemployed went out more often than the employed is the increased concentration of unemployment among young people. The absolute scores for the unemployed also show no definite trend.

It has not been possible, for the purpose of this chapter, to compare data from Dutch studies of how people spend their time. The findings reported by Knulst and Schoonderwoerd for 1975 and 1980 relate to differences between the employed on the one hand and the unemployed and the disabled together on the other; they thus do not fit easily into the framework of this chapter. Once again it is stressed that more refined indicators such as those provided by time budget surveys could well point to conclusions other than those drawn from the Surveys of Living Circumstances, notably with regard to such activities as watching television.

6.4. Conclusions

The general conclusion from this section's findings must be that in the years covered the unemployed have had a lower standard of living, poorer health and more limited social experience than the employed. What is not clear is the size of the differences found: determining this would require a yardstick which would be no easy matter to define. Nor can we determine to what extent the differences found reflect the impact of individual unemployment on living circumstances. This does not mean that the findings are devoid of interest, however, indicating as they do a cumulation of disadvantage among the unemployed.

A further conclusion from our findings is that it is not the case that all the differences between the employed and unemployed - in the areas of living standards, health and

social experience - have widened over the years: the picture varies not just from one area to another but from one indicator to another.

A final conclusion is that between 1974 and 1983 the absolute scores for the living circumstances of the unemployed have improved somewhat in a number of respects and have deteriorated significantly in just one.

Taken together, these findings indicate that forms of social differentiation which relate to living circumstances are neither present across the board nor entirely absent in a situation of high unemployment.

§7. The unemployed and their households

The interdepartmental steering group on policy for the unemployed and disabled noted in 1981 that "unemployment and disability can damage the lives not only of the individuals concerned but also of their partners and households". One obvious question here is whether the *partner* of an unemployed person (if he or she is economically active) is as *likely to be without work* as the partner of an employed person. A survey carried out in 1981-82 as part of a Social and Cultural Planning Office study of the living circumstances of the unemployed and the disabled determined whether the members of almost 20,000 households were economically active and whether they were in employment. The results indicated that where the head of a household is unemployed there is a 25% chance that the partner is also unemployed; where the head of the household is in work the chance is 5% (table 10.7). The unemployment of one partner is thus associated to some extent with the unemployment of the other.

Table 10.7

Correlations between the employment situations of heads of household and of their partners and between those of heads of household and of their children still at home, 1982 (in percent)[1]

	partner			child		
	in work	out of work	total (absolute)	in work	out of work	total (absolute)
head of household						
in work	95	5	100% (N = 3,197)	89	11	100% (N = 1,183)
out of work	75	25	100% (N = 155)	83	17	100% (N = 58)

Sources: Survey of Living Circumstances of the unemployed and disabled, 1982; Social and Cultural Planning Office

[1] Data on couples of which both persons are member of the labour force.

This finding again raises issues of causality. It may be that the unemployment of one partner somehow enhances the likelihood of the unemployment of the other, perhaps because each is discouraged from a continued search for work by the failure of the other's attempts. Other possible explanations see the association as a by-product, perhaps of a coincidence of background characteristics: if partners differ little in age and educational level and the probability of unemployment varies with these factors, then each is as likely to be unemployed as the other. The material we have available does not allow us to evaluate the tenability of these various hypotheses. This does not, however, alter the fact that high unemployment is associated with social links among the unemployed.

If an individual's unemployment has consequences for his or her partner's *living circumstances* these are likely to emerge most clearly in the case of partners who are not economically active and carry out household work. Data on this point (from the 1983 Survey of Living Circumstances) are shown in table 10.8.

Table 10.8 *The personal circumstances of the non-working partners of persons in work and the unemployed, 1983*

	partner of person in work	partner of person out of work
percentage living in detached house	20	13
physical condition of dwelling (1 = good, 7 = poor)	2.4	2.9
average number of rooms (not sublet)	4.8	4.4
percentage of owneroccupiers	59	34
average number of consumer durables owned	4.6	3.7
percentage of car owners	89	80
percentage holiday away from home in preceding year	66	49
average number of serious medical conditions	0.07	0.12
average number of other medical conditions	0.73	0.61
percentage hospitalized in preceding year	11	10
average number of psychosomatic complaints	2.7	2.8
percentage using alcohol	67	54
percentage smoking	37	44
percentage taking part in sports	66	61
average number of hobbies	2.4	2.6
average number of activities involving going out	0.30	0.29
percentage of members of political parties	10	5
percentage of members of trade union or employers' organization	8	10
percentage of members of clubs or societies	51	39
	(715)	(41)

Sources: Survey of Living Circumstances, 1983, Central Bureau of Statistics

It goes virtually without saying that the standard of living of someone who carries out household work and whose partner is unemployed is lower than that of someone whose partner is employed. What is more interesting is the question of possible differences in health and social experience. The picture emerging from indications regarding health problems is unclear: the slightly higher average number of psychosomatic complaints suffered by the partners of the unemployed who carry out household work suggests an extending effect of unemployment. The findings regarding social experience coincide virtually exactly with those relating to the unemployed themselves: their social experience is generally more limited, but they have more hobbies at home.

While the 1983 Survey of Living Circumstances does not allow us to determine the living circumstances of the *children of the unemployed* who still *live at home,* information is available from other sources on parental unemployment and children. The results obtained by Meesters from a Central Bureau of Statistics survey of school-leavers indicate that the children of the employed and the self-employed have a greater chance of finding work than the children of persons who do not work or whose occupation is unknown (these differences remained even when allowance was made for the qualifications gained by the school-leavers); Meesters proposed the concept of "unemployed households" and "working households". The 1981-82 survey of 20,000 households which was mentioned earlier also showed that children in a household whose head was unemployed were more likely to be unemployed than those in households with working heads (the probabilities were 17% and 11% respectively). The

differences were smaller than in the case of partners. Whatever the explanation of this finding, it points once again to relatively frequent links, at household level, both among the unemployed and among the employed, but relatively few links between the two groups.

In conclusion, it appears that the unemployment of one member of a household is associated with certain disadvantages in the employment position and living circumstances of other household members.

§8. The unemployed and other benefit recipients

Like the unemployed, the disabled and the over-65s normally depend for their income on the social-security system. This prompts us to ask whether only the unemployed are disadvantaged in their living conditions as compared with those in work, or whether all benefit recipients face similar disadvantages. The term "welfare classes" is sometimes used, suggesting shared elements in living circumstances. If these other "welfare classes" occupy a position intermediate between the employed and the unemployed then we can say that social differentiation is less marked than if all benefit recipients face the same degree of disadvantage.

8.1. The disabled

The change made to benefit rates in 1985 (with invalidity benefit being cut from 80% to 70% of the recipient's most recent wage) caused the incomes of the disabled to fall in absolute terms, to diverge further from those the employed and to approach more closely those of the unemployed. Between 1977 and 1983 average gross and net invalidity benefit payments were higher than those made under the various unemployment benefit acts but lower than corresponding wages and salaries. The incomes of the disabled lay between those of the employed and the unemployed, albeit over the period income differences between the disabled and the employed widened while the net incomes of the unemployed and the disabled came closer together (table 10.5).

The 1983 Survey of Living Circumstances gives us information on the living standards, health and social experience of the disabled (table 10.9). Overall we are forced to conclude that the standard of living of the disabled is slightly lower than that of the unemployed: on average, they have fewer consumer durables, are less likely to own a car and go away on holiday less frequently. Hardly surprisingly, they also have poorer health than the unemployed. The social experience of the disabled tends to be more limited than that of the unemployed, though they are more likely to belong to a trade union.

While the income of the disabled was higher than that of the unemployed in 1983 other indicators of their living circumstances (particularly as regards standard of living) were less favourable. This prompts us to ask how these findings can be reconciled with one another. The less favourable living circumstances of the disabled can be ascribed in part to poorer health (e.g. they may be unable to drive a car), but that is not necessary the complete explanation for their lower standard of living.

In section 6 it was suggested that ownership of consumer durables or cars was a less sensitive indicator of changes in living standards than holidaying away from home, since the first two, unlike the last, are determined not so much by present income as by income over a period of time in the past. If the disabled tend to have been unable to work for longer than the unemployed have been without work, then we can predict that while the average current income of the disabled will be higher their average standard of living will be lower. The 1983 Survey of Living Circumstances showed that in that year half of those on invalidity benefit had been without work for three years or more as against only one tenth of the unemployed. We may further predict that the living circumstances of the long-term unemployed will tend to resemble those of the disabled more closely than those of the short-term unemployed. Section 10 considers the living circumstances of the short- and long-term unemployed. This explanation underlines the importance of the issue of mobility (i.e. of flows into and out of unemployment).

Table 10.9 *The personal circumstances of the disabled and the elderly, 1977 and 1983*

	disabled		elderly	
	1977	1983	1977	1983
percentage living in detached house	20	20	21	20
physical conditions of dwelling (1 = good, 7 = poor)	3.4	3.1	3.0	2.8
average number of rooms (not sublet)	4.1	4.3	3.9	3.9
percentage of owneroccupiers	28	38	32	33
average number of consumer durables owned	3.0	3.5	2.1	2.5
percentage of car owners	53	68	35	40
percentage holidaying away from home in preceding year	36	43	48	44
average number of serious medical conditions	.	0.22	.	0.15
average number of other medical conditions	.	1.94	.	1.73
percentage hospitalized in preceding year	17	24	15	15
average number of psychosomatic complaints	5.7	5.2	3.3	3.1
percentage taking part in sports	21	31	14	16
average number of hobbies	.	1.9	.	1.5
average number of activities involving going out	.	0.29	.	0.21
percentage of members of political parties	5	5	11	14
percentage of members of trade union or employers' organization	23	23	16	14
percentage of members of clubs or societies	34	40	26	29
	(120)	(156)	(319)	(435)

Sources: Surveys of Living Circumstances, 1977 and 1983, Central Bureau of Statistics

The 1977 Survey of Living Circumstances also showed the living circumstances of the disabled to be poorer than those of the employed. A comparison with the 1983 data indicates that the scores of the disabled have improved in absolute terms on a number of indicators but there appear to be no clear trends as regards the size of differences between them and the employed or the unemployed (table 10.9).

8.2. The over-65s

In 1983 the living standards, health and social experience of the over-65s were inferior in almost all respects to those of the employed. This was also the case in 1977. Between these two dates the living standards of the over-65s rose and their social experience widened, while their health improved in some respects and deteriorated in others. The differences between the employed and the over-65s narrowed in a number of respects between 1977 and 1983 (table 10.9).

8.3. Conclusions

In general the living circumstances of the disabled and the over- 65s were inferior to those of the employed in 1983. The income of the disabled was higher than that of the unemployed, indicating differentiation. It is difficult to ascribe this differentiation to rising unemployment, however, since in 1977 too the disabled and the over-65s were disadvantaged vis-a-vis the employed.

A further conclusion is that the idea of the situation of the disabled being depressed to that of the unemployed takes too much account of the fact that until 1985 invalidity benefit was equal to 80% of the most recent wage while unemployment benefit stood at 80%, 75% or less. This view ignores the fact that invalidity has thus far been a longer-term condition at the personal level than unemployment, with the result that the living standards of the disabled may be lower than those of the unemployed. It may be

that as the percentage of long-term unemployed rises the situation of the unemployed as regards living standards could be depressed to that of the disabled.

§9. Movement into and out of unemployment

In this country there is a striking consensus regarding mobility between the categories of the employed and the unemployed: a former prime minister, Joop den Uyl, said in December 1985 that "the picture of opposing armies of roughly equal size does violence to social reality, given the extent of the interchange between the two groups"; in its *Labour Market Report* for April 1984 the Ministry of Employment and Social Security stated that "despite high and rising unemployment we should not underestimate the movement that is taking place"; and in the autumn 1984 general debate on government policy a member of the Upper House opined that the idea of a dichotomy between workers on one side and benefit recipients on the other was relevant "only if no interchange takes place between the two groups", which according to him was "by no means the case".

This consensus is all the more remarkable for the lack of any empirical underpinning for these assertions and the failure to consider whether mobility between the categories of the employed and the unemployed may have changed in some way as unemployment has risen. It is to this question that we now turn.

We can start from a time series for the absolute numbers of people unemployed for a year or more. Interpreting these figures is no easy matter: annual averages for the numbers who have been out of work for over a year are normally given as a percentage of the average number of unemployed in the year in question (table 10.10). Since the end of the 1970s the proportion of long-term unemployed so defined and calculated has risen from less than 10% to over 50%, with the 1985 figure as high as that for 1984.

Table 10.10 *Probabilities of the unemployed remaining unemployed and of the employed becoming unemployed, 1971-1985*

	1971	1972	1973	1974	1975	1976	1977	1978	1979		1980	1981	1982		1983	1984	1985
									old definition of the labour force	new definition of the labour force			old definition of unemployment	new definition of unemployment			
persons unemployed for more than one year (x 1,000)	4	7	13	15	24	44	49	51	53	53	56	86	170	205	352	436	407
persons unemployed for more than one year as percentage of all out of work that year	9	6	12	11	12	21	24	25	25	25	23	22	31	31	44	53	53
persons unemployed for more than one year as percentage of all out of work one year previously	9	11	12	14	18	23	23	25	26	26	27	35	44	43	54	54	50
persons unemployed for less than one year as percentage of all in work one year previously	2	3	3	3	5	4	4	4	4	4	5	7	9	11	11	10	9
probability of employed person being out of work one year later, divided by equivalent for employed person	6.3	4.7	5.2	4.8	4.6	6.3	7.1	7.9	8.2	8.7	7.6	7.1	8.1	6.1	9.3	11.1	10.2

Source: Calculated on the basis of the 1985 Labour Market Report, pp. 31, 91, 95, 99 and 100, Ministry of Employment and Social Security; The Labour Market in December 1985, with annual averages for 1985
Data on full-time employment and the labour force aged under 65, using the old definition of the labour force, taken from Monthly Social Statistics 26 (1978) 9, p. 808, Central Bureau of Statistics

that as the percentage of long-term unemployed rises the situation of the unemployed as regards living standards could be depressed to that of the disabled.

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									old definition of the labour force	new definition of the labour force			old definition of unemployment	new definition of unemployment			
persons unemployed for more than one year (x 1,000)	4	7	13	15	24	44	49	51	53	53	56	86	170	205	352	436	407
persons unemployed for more than one year as percentage of all out of work that year	9	6	12	11	12	21	24	25	25	25	23	22	31	31	44	53	53
persons unemployed for more than one year as percentage of all out of work one year previously	9	11	12	14	18	23	23	25	26	26	27	35	44	43	54	54	50
persons unemployed for less than one year as percentage of all in work one year previously	2	3	3	3	5	4	4	4	4	4	5	7	9	11	11	10	9
probability of employed person being out of work one year later, divided by equivalent for employed person	6.3	4.7	5.2	4.8	4.6	6.3	7.1	7.9	8.2	8.7	7.6	7.1	8.1	6.1	9.3	11.1	10.2

Source. Calculated on the basis of the 1985 Labour Market Report, pp. 31, 91, 95, 99 and 100, Ministry of Employment and Social Security, The Labour Market in December 1985, with annual averages for 1985
Data on full-time employment and the labour force aged under 65, using the old definition of the labour force, taken from Monthly Social Statistics 26 (1978) 9, p. 808, Central Bureau of Statistics

To answer our questions regarding social differentiation it is not entirely satisfactory to relate the average number of long- term unemployed in a year to the average for all the unemployed. The long-term figures indicate how many people are unemployed from the beginning to the end of a year, and these totals need to be related to the total number of unemployed at the start of the year, i.e. total unemployment in the preceding year. Dividing the absolute number of long-term unemployed by the unemployment total for the preceding year produces an indicator of the likelihood of continuing unemployment, and this is both more meaningful and more valuable: what we need to know is not what proportion of all those currently unemployed were already unemployed at some point in the past but rather what proportion of those who were out of work at that earlier point are still without jobs.

The figures for the probability of continued unemployment (table 10.10) show a rising trend overall, broadly corroborating the notion of increasing differentiation. The 1985 figure is, however, lower than that for 1984: this indicates that the long- term unemployed are benefiting from falling unemployment, albeit the removal from the official figures of persons aged over 57.5 years may have distorted the statistics.

In considering these figures it should be borne in mind that even figures for the likelihood that an unemployed person will still be unemployed in a year's time does not give us a full picture: in general the probability of continued unemployment has increased since the early 1970s, but so too has the probability that someone who is in work at a given point in time will be out of work a year later. What we also need is a table relating the figures for the working population, employment and unemployment at one point in time to those for later times, providing an indication of flows into and out of unemployment, and to draw conclusions regarding increasing or decreasing differentiation such a flow table needs to be expressed in a single measure. Flow tables as such have not been published in the monthly and annual reports of the Ministry of Employment and Social Security, but figures given in these publications do allow us to draw them up. Flow tables for 1983, 1984 and 1985 are shown in table 10.11.

The pattern of the items in a flow table may be described as follows. Suppose that there is a contest between the employed and unemployed at a given point in time and that the prize is work rather than unemployment. The contest may be an equal one or to a greater or lesser degree unequal. In 1985 a person who is in work has a 91% chance of still being in work at the end of a year (and thus a 9% chance of unemployment): for

Table 10.11 *Flows into and out of employment, 1983-1985 (x 1,000)*

	end of year								
	1983			1984			1985		
	in work	out of work	total	in work	out of work	total	in work	out of work	total
beginning of year									
in work	3,604	449	4,053	3,602	386	3,988	3,698	354	4,052
out of work	303	352	655	365	436	801	415	407	822
total	3,907	801	4,708	3,967	822	4,789	4,113	761	4,874

Source: 1985 Labour Market Report, Ministry of Employment and Social Security
The meaning of the table is as follows (1983 figures):
4,708 = total labour force, whether employed or unemployed, under 65, per 1.1.83, p. 100
801 = average number of persons out of work in 1983, p. 91
655 = average number of persons out of work in 1982, p. 91
352 = average number of persons out of work for more than one year in 1983 (p. 95)
The remaining figures are obtained by addition or substraction

such a person the odds of work rather than unemployment are thus slightly better than 10:1 on. An unemployed person, in contrast, has roughly an evens (1:1) chance of still being out of work at the end of a year. The ratio of the two probabilities - the odds for the employed person still being in work divided by the odds for the unemployed person finding work - provides a measure of the "equalness" of the contest, and in this case the ratio is 10.3.

Odds ratios of this type may be interpreted as follows. If the ratio is unity, then the contest between the two parties (the person in work and the person out of work at the end of the preceding year) for the two positions (working or being out of work in the current year) is an equal one: whether someone has a job or is out of work in a particular year does not depend on whether they had a job or were out of work in the previous year. The greater the margin by which the odds ratio exceeds unity, the more the contest favours those who already had a job.

Odds ratios have been calculated based on the flows into and out of unemployment in the years 1971-1985: with some fluctuations on the way they rose from a value of around five in the early 1970s to one of over ten in the 1980s, indicating that movement between the "employed" and "unemployed" categories, limited fifteen years ago, has lessened as unemployment has risen. In other words, the relative position of the unemployed on the labour market was already unfavourable and has deteriorated still further.

The fact that the odds ratio for 1985 was slightly lower than that for 1984 (10.3 as against 11.2) may indicate an improvement in the relative position of the unemployed as unemployment has fallen. However, it is not yet possible to determine with any confidence whether this is a statistical freak or the start of a trend towards increasing mobility between the two categories.

A further question concerns the extent to which an unemployed person's chances of finding work in a particular period depend on how long he or she has been unemployed before the start of that period. Data from the Ministry of Employment and Social Security for 1981-1985 (table 10.12) indicate that the longer someone has been out of work, the greater the probability is that they will remain unemployed for a further year.

This leads us on to ask to what extent the outcome of the contest between the long-term and the short-term unemployed altered between 1981 and 1985. The odds ratio for the contest between persons unemployed for less than one year and those unemployed for between one and two years remained around 1.8 over this period. The ratio for the contest between persons unemployed for less than one year and those unemployed for between two and three years fell from 2.8 in 1981 to 2.4 in 1983, rising again to 2.6 in

Table 10.12

Probability that persons registered as unemployed for different lengths of time will still be unemployed one year later, 1981-1985 (in percent)

length of time out of work at start of year	1981	1982	1983	1984	1984[1]	1985
< 1 year	35	44	49	43	43	39
1-2 year	50	58	63	55	57	53
2-3 year	60	67	70	62	66	60
3-4 year	65	70	74	67	74	66

Source: Final report of the tripartite consultative committee on hard-core unemployment, March 1986, p. 5

[1] Excluding persons aged 57.5 years and over registered as unemployed.

1985 and finally falling to 2.3 in 1985. (The odds ratio for 1984 takes no account of unemployed persons aged 57.5 years or over.) The odds ratio for the contest between persons unemployed for less than one year and those unemployed for between three and four years fell from 3.4 in 1981 to 3.0 in 1983, rising again to 3.7 in 1985 and finally falling back to 3.0 in 1985. As unemployment has risen, the labour market position of the short-term unemployed has sometimes worsened relative to that of the long-term unemployed, while the recent fall in unemployment appears to have improved the relative position of the long-term unemployed. This last conclusion should be treated with great caution, however, since the ending of the registration requirement for persons aged 57.5 or over may well have distorted the statistical picture.

The finding that the duration of an individual's unemployment correlates with the likelihood of continued unemployment again raises issues of causality. It could be, for example, that a stigma attaches to being out of work, thus increasing the probability of continued unemployment; it is also possible that within the heterogeneous group of those who become unemployed in a particular period of time it is those with (for example) a higher educational level that find new jobs first, leaving a "harder to employ" group behind. Whatever the explanation, this finding points to social differentiation: there is a link between being unemployed and remaining unemployed.

To sum up, it is clearly easier for the employed to remain in work than for the unemployed to find a job, and differences between the employed and the unemployed in this respect have widened since the early 1970s. This indicates increasing differentiation. In addition the short-term unemployed are more likely to find work than the long-term unemployed. This too indicates differentiation.

§10. Living circumstances

As we have seen, the longer an individual has been out of work, the more likely he or she is to remain out of work. Moreover, the social-security benefit payable to the unemployed is reduced after a certain period of time. Of relevance to our discussion of social differentiation is the question of the extent of differences between the living circumstances of the long-term and short-term unemployed. While the fear has been expressed that the long-term unemployed may face a hopeless position little empirical evidence is available on this point.

In this section we group the unemployed persons covered by the 1983 Survey of Living Circumstances by the year in which they were last employed (those seeking their first job are omitted from the analysis, since it is not known how long they have been unemployed). Three categories are distinguished: those who have been without paid employment for one year or less, those who were employed two years previously and those who last worked three or more years ago (see table 10.13).

While the results must be treated with caution because of the small numbers involved they nevertheless point fairly clearly to differentiation. The standard of living of the long-term unemployed is lower on almost all counts than that of those who have been out of work only a short time: they are less well housed, own fewer consumer durables, are less likely to own a car and go on holiday less frequently. The physical and mental health of the long-term unemployed is also poorer. No clear general conclusion is possible regarding social experience: while membership of clubs, societies, trade unions etc., and going out, decline with continued unemployment the remaining indicators show no clear trend. We noted in section 6 that the unemployed go out more often than the employed, but it now emerges that this tendency is limited to the short-term unemployed; the tendency for the unemployed to pursue more hobbies, however, extends to both categories.
In sum, we find that the long-term unemployed have a lower standard of living, poorer health and slightly more limited social experience than those who have been out of work only a short time. The unemployed thus do not form an undifferentiated "bottom of the ladder" group: within the group there are also gradations. In this respect our society has become more differentiated with the growth of unemployment.

Table 10.13 *The personal circumstances of the short- and long-term unemployed and of employed persons of different educational backgrounds, 1983*

	out of work			in work			
	for over 3 years	for 2-3 years	for under 1 year	primary only	LBO[1] or MAVO[2]	MBO[3] or HAVO[4]	HBO[5] or university
percentage living in detached house	6	23	25	14	18	18	21
physical condition of dwelling (1 = good, 7 = poor)	3.1	2.7	2.6	3.0	2.7	2.6	2.3
average number of rooms (not sublet)	3.8	4.2	4.5	4.4	4.6	4.5	4.7
percentage of owneroccupiers	24	39	44	38	49	56	68
average number of consumer durables owned	3.2	3.2	4.1	3.9	4.0	4.3	4.4
percentage of car owners	53	65	75	77	83	89	89
percentage holidaying away from home in preceding year	29	29	55	56	66	75	87
average number of serious medical conditions	0.11	0.06	0.03	0.10	0.05	0.04	0.04
average number of other medical conditions	0.70	0.64	0.64	0.74	0.53	0.43	0.44
percentage hospitalized in preceding year	0	10	3	5	9	5	6
average number of psychosomatic complaints	3.8	2.8	2.2	2.7	2.1	1.8	1.6
percentage using alcohol	65	80	83	78	84	85	88
percentage smoking	65	67	61	61	59	49	37
percentage taking part in sports	59	55	70	52	69	76	83
average number of hobbies	2.3	2.5	2.3	1.9	2.1	2.2	2.1
average number of activities involving going out	0.4	0.4	0.6	0.4	0.6	0.5	0.5
percentage of members of political parties	0	13	3	8	6	8	16
percentage of members of trade union or employers' organization	12	13	23	39	29	37	46
percentage of members of clubs or societies	41	42	58	46	52	62	67
	(17)	(31)	(69)	(226)	(453)	(720)	(343)

Source: Survey of Living Circumstances, 1983, Central Bureau of Statistics

[1] LBO = junior secondary vocational education (12-16).
[2] MAVO = general secondary education, lower grade (12-16).
[3] MAVO = general secondary education, higher grade (12-17).
[4] MBO = senior secondary vocational education (16+).
[5] HBO = higher vocational education (17+).

In this chapter we have regarded employment status as a factor in social differentiation, alongside other factors. When we grouped the unemployed by the length of their unemployment we were focusing on different rungs at the bottom of the social ladder. The employed can of course also be grouped, e.g. by educational level. This factor correlates with many aspects of individuals' living circumstances: as table 10.13 shows, higher levels of education are associated with higher-quality housing, greater car ownership, the possession of more consumer goods, more frequent holidays away from home, better health and wider social experience. There are few exceptions to this rule: educational level is clearly a major dimension in social differentiation.

The percentages and averages representing aspects of the living circumstances of those who have been out of work for less than a year (and are thus on the highest rung of the ladder of the unemployed) can be compared with the corresponding figures for the least educated among those in work (i.e. those on the lowest rung of the ladder of the employed): are the two groups more or less at the same level, do the two ladders overlap, or are the least disadvantaged among the unemployed clearly worse off than

the most disadvantaged among the employed? If the last answer is the right one then social differentiation is greatest; if the second answer is correct then differentiation is least. In fact the answer depends on the aspect of living circumstances considered: in the case of living standards the top of the one ladder is generally level with the bottom of the other, while in that of health the two ladders overlap to some extent. In the case of some aspects of social experience (sport, going out) the two ladders overlap markedly; in that of others (membership of trade unions) there is a clear gap.
The conclusion is thus that in 1983, when unemployment in the Netherlands was at its peak, the two categories of the employed and the unemployed overlapped as regards certain aspects of living circumstances and were distinct as regards others.

§11. Unemployment and social relations

The social consequences of persistent high unemployment thus far considered have related mainly to inequalities in living circumstances; we now turn, in this section and the next, to issues of social cohesion, making use of various sources. One question we consider relates to social contacts between the employed and the unemployed; De Rooy has argued that there was increasing isolation of the unemployed in the 1930s. Social distance between the employed and the unemployed may be measured in various ways: there may be variations in the frequency with which employed and unemployed persons share the same household or live in the same area, and in between these there are indicators reflecting unemployment among acquaintances, friends and family.

In section 7 we found relatively few links between the employed and unemployed at the level of (married) couples, while the children of unemployed parents still living at home were more likely to be unemployed than the children of employed parents. The data relate to 1982, and since none are available for other years it is not possible to identify trends. It must be remembered that such data as these should not be taken to mean that, for example, an individual's unemployment causes the unemployment of his or her partner; this comment applies to all the other findings regarding social relations.

Section 4 considered data relating to Rotterdam which showed that unemployment was concentrated in certain parts of the city and had become increasingly so between 1981 and 1985. This indicates that social contacts are likely to be relatively frequent within, and relatively infrequent between, the "employed" and the "unemployed" categories.

Other data point in the same direction. In their analysis of the data from the 1981-82 survey of the unemployed and the disabled Becker and Vink found that 62% of unemployed respondents reported that they had friends or relatives who were also unemployed, while the comparable figure for employed respondents was only 39%. In 1982 Utrecht sociologists collected information on the employment status of the "best friends" of a sample of Dutch people (it should be borne in mind here that respondents' choices of "best friend" for the purpose of the survey may have been influenced by considerations of social desirability). Among the working males surveyed 77% stated that their best friend was also in work, while in the case of unemployed males the figure was 80%. Respondents were also asked about a "second best friend": among the working males 57% mentioned such a person who was in work, while in the case of unemployed males the figure was 40%. In addition 31% of those in work and 40% of those out of work mentioned no "second best friend". The small numbers involved mean that these figures must be seen as illustrative rather than demonstrative; in any event they do not refute the hypothesis that the employed have a relatively large proportion of employed friends and the unemployed a relatively large proportion of unemployed friends. Regrettably, no information is available on the development over time of friendship patterns between the employed and the unemployed.

We turn now from the social contacts between the employed and the unemployed to the numbers of the two groups' social contacts. The 1974-1983 Surveys of Living Surveys provide us with some information on this point (table 10.14).

Table 10.14 *Social relations of the employed and unemployed, 1974-1983*

	1974		1977		1980		1983	
	in work	out of work	in work	out of work	in work	out of work	in work	out of work
percentage sometimes attending union etc. meeting[1]	.	.	.	.	22	8	17	3
percentage sometimes attending party etc. meeting[1]	.	.	.	.	13	8	9	6
percentage going to church at least twice a month (all respondents)	36	28	33	21	27	24	25	21
percentage going to church at least twice a month (those with religious commitment only)	57	46	46	36	38	32	38	31
percentage carrying out voluntary work	29	21	45	28	56	53	50	50
frequency of visits to friends etc.: none[2]	2	6	1	4	9	16	6	7
frequency of visits to friends etc. once a week or more[2]	62	60	64	70	50	60	73	79
satisfaction regarding friends etc (1 = high, 5 = low)	2.5	2.6	2.5	2.2	2.5	2.7	2.5	2.6
percentage strongly agreeing with statement 'I've got plenty of good friends round here'	31	21	48	37	48	47	40	51
percentage strongly disagreeing with statement 'It's not easy to make friends round here'	34	21	52	44	46	39	.	.
percentage strongly agreeing with statement 'People round here are very friendly and helpful'	38	29	52	46	46	35	44	47
percentage of persons living alone	4	9	5	4	8	10	8	8
percentage forming part of household with father, mother and children	66	53	61	40	64	55	59	55

Source: Survey of Living Circumstances, 1974, 1977, 1980 and 1983

[1] Question asked of both members and non-members.
[2] Categories of persons covered by the questions: family, neighbours, acquaintances, friends (1974); family, friends, acquaintances (1977); friends and acquaintances in or near the area where the respondent lives (1980); people whom the respondent visits regularly (1980). In the 1974 survey 'often' was taken to mean 'once a week or more' and 'seldom if ever' to mean 'never'.

Given the information presented in section 6 on the membership of political parties and trade unions it is hardly surprising that the unemployed attend fewer party and union meetings than those who are in work. They are also less likely to go to church (even if we limit the analysis to those who say they have a particular religion) and, except in 1983, to involve themselves in voluntary work.

Indicators relating to contacts with individuals rather than institutions present a less clear picture. While the proportion of unemployed people who never visit (and are never visited by) friends is higher than the corresponding figure for the employed, the proportion of those making (and receiving) frequent visits, i.e. one or more a week, is also higher. (The intermediate group is smaller in the case of the unemployed than in that of the employed.) The unemployed are slightly less satisfied with their friends than are the employed.

Survey items which seek to measure social isolation within the local neighbourhood indicate that in three of the four years covered (the exception being 1984) the unemployed were more isolated than the employed. In 1974 there was a relatively large number of unmarried persons among the unemployed, though this was not the case in 1983. This should not be taken to suggest that unemployment does (or does not) cause people to remain unmarried: the point is simply to determine whether unemployment

is associated with relatively few social contacts. Such an association does not exist in all respects and at all times.

These findings tell us something about changes over time in the differences between the employed and unemployed as regards social contacts. The differences are certainly not widening: to the extent that any change is visible it seems rather that they are narrowing. The data on voluntary work and isolation within the local neighbourhood, for example, point in this direction.

Other findings reported in recent literature on unemployment and social contacts are also ambiguous. In a survey conducted in the early 1980s in which people who had been made redundant were questioned shortly after they had become unemployed and one year later, Tazelaar and Sprengers found no significant differences in the frequency of changes in contacts with friends and acquaintances between those who were still unemployed after a year and those who had found new work. In their analysis of the 1981-82 survey of the unemployed and the disabled Becker and Vink found that the unemployed were more likely to feel lonely than the employed. The survey among the young unemployed carried out in 1984 by Ten Have and Jehoel-Gijsbers found that duration of unemployment correlated with frequency of feelings of loneliness. We make no attempt here to offer a consistent interpretation for these various findings, noting simply that unemployment is not always associated with fewer social contacts.

Avoidance of contact with certain people may be a result of stigmatization. Material relating more directly to attitudes towards the unemployed is given by the 1982 study which provided the information on friendship patterns referred to earlier. A representative sample of Dutch people were asked to rate the social prestige of a worker in a papermill, a shop assistant, a bookkeeper, a teacher in a junior technical secondary school and an engineer; a separate sample were asked to rate the social prestige of long-term unemployed persons in the same professions. On a scale of 0-100 the papermill worker and shop assistant scored 20 while their unemployed counterparts rated only 10; the bookkeeper scored 50, the long-term unemployed bookkeeper under 30; employed and unemployed junior secondary technical teachers scored 65 and 45 respectively; the 80 scored by the engineer was reduced to 60 if he or she was unemployed. Unemployment thus has a clear adverse effect on social esteem.

Images of the unemployed also emerge from the information which the Social and Cultural Planning Office has gathered on cultural changes over time (table 10.15). Findings regarding the application of favourable and unfavourable labels show that while the employed have a relatively negative image of the unemployed it did, however, become less negative between 1980 and 1985.

The social cohesion indicators which we have so far considered relate to contacts among individuals and between individuals and groups. While we found some indications of weak social cohesion no conclusions were possible regarding changes in this area over time. The image which the employed have of the unemployed has become less negative.

§12 Unemployment and social protest

As was noted in section 2, there are two respects - albeit there is no sharp dividing line between them - in which a society's cohesiveness may be weak. One of them, a general lack of social contact. was the subject of the previous section; it is to the other, more radical, manifestation of social fragmentation that we now turn. In this section we consider a number of indicators for this form of fragmentation, which may take forms ranging from indifference to others' needs to active hostility.
In a report issued in 1977 the Advisory Council on Government Policy drew attention to the possibility that future developments might increase the willingness of those who have paid work to contribute to public funds from their private resources: "It may be that as our own chances of unemployment grow greater, so too will our willingness to provide for the unemployed." If this willingness were to decrease, however, and the

Table 10.15 *Ascription of personal characteristics to the employed and unemployed by persons in employment, 1980-1985*[1]

	1980	1985
hard-working	-77	-55
energetic	-59	-30
honest	-43	-18
reliable	-43	-19
responsible	-80	-55
spineless	74	67
skilful	-50	-34
idle	70	50
clever	16	- 2
persistent	-78	-55
valuable to society	-92	-50
weak	53	27
inactive	71	48

Source: Cultural changes in the Netherlands, 1980 and 1985, Social and Cultural Planning Office

[1] Mean value of scores on five-point scales which run when recoded from - 200 ('much commoner among the employed') through - 100, 0 ('no difference') and 100 to 200 ('much commoner among the unemployed'). N = approx. 800 in 1980 and 1985.

Table 10.16 *Employed persons who regard as excessive benefits paid under the Unemployment Insurance Act, by levels of income and education, 1975-1985 (in percent)*

	incomelevel			
	lowest	fairly low	fairly high	highest
1975	25	24	23	30
(N =)	(127)	(157)	(206)	(203)
1980	26	26	28	28
(N =)	(97)	(150)	(200)	(223)
1983	11	9	7	13
(N =)	(72)	(131)	(167)	(218)
1985	7	7	7	8
(N =)	(71)	(162)	(183)	(213)

	educational level			
	lowest	fairly low	fairly high	highest
1975	27	25	27	26
(N =)	(147)	(303)	(189)	(122)
1980	22	28	32	25
(N =)	(116)	(264)	(201)	(149)
1983	8	11	10	10
(N =)	(85)	(206)	(189)	(169)
1985	3	6	9	10
(N =)	(73)	(237)	(233)	(146)

Source: Cultural changes in the Netherlands, 1975-1985, Social and Cultural Planning Office

employed were to feel less concern for the fate of the unemployed, then clearly social cohesion would have declined.

Evidence relevant to the Advisory Council's hypothesis is provided by data on the views of the employed regarding the amounts of benefit payable under the Unemployment Insurance Act and the National Assistance Act. This comes from the Social and Cultural Planning Office's studies of cultural change and relates to the years 1975, 1980, 1983 and

Table 10.17 *Employed persons who regard as excessive benefits paid under the National Assistance Act, by levels of income and education, 1975-1985 (in percent)*

	incomelevel			
	lowest	fairly low	fairly high	highest
1975	22	20	19	21
(N =)	(116)	(143)	(185)	(192)
1980	15	19	13	12
(N =)	(88)	(124)	(173)	(183)
1983	11	8	4	8
(N =)	(71)	(125)	(161)	(199)
1985	1	3	5	6
(N =)	(64)	(157)	(177)	(196)
	education level			
	lowest	fairly low	fairly high	highest
1975	18	21	24	18
(N =)	(131)	(273)	(182)	(107)
1980	20	20	15	13
(N =)	(106)	(223)	(170)	(123)
1983	10	6	5	8
(N =)	(81)	(199)	(181)	(152)
1985	3	4	5	4
(N =)	(69)	(229)	(208)	(143)

Source: Cultural changes in the Netherlands, 1975-1985, Social and Cultural Planning Office

1985 (tables 10.16 and 10.17). It should be borne in mind in considering this information that benefit rates were lowered in 1985, changing the significance of the response that the existing benefit is too high.

If the level of social cohesion or solidarity between the employed and the unemployed is taken to correlate inversely with the proportion of the employed who believe that unemployment benefit is excessive, then such cohesion increased between 1975 and 1983. The proportion varies little with levels of income and education among the employed, except that in 1985 the more highly educated among the employed were more likely to regard the benefit as excessive. Much the same picture is found as regards benefit under the National Assistance Act, with the exception that in 1985 those on higher incomes among the employed were more likely to regard national assistance payments as excessive. The general picture is one of equal solidarity in virtually all socio-economic groups, with the level of solidarity rising with rising unemployment.

Other data - taken from the Eurobarometers (table 10.18) - relate to the proportion of the population who were very dissatisfied with the operation of democracy in the Netherlands over the period 1979-1984. Such dissatisfaction indicates some measure of rejection of a fundamental social institution. In each of the years covered the unemployed were more often very dissatisfied than the employed; indeed, their dissatisfaction seems to have increased more than that of the employed. The Eurobarometers also provide data on the desire for radical social change, and the unemployed are more likely than the employed to believe that society is in need of radical change. The responses to this survey item show no trend over time. Both sets of data show that society's core institutions have increasingly come under pressure as unemployment has risen.

Table 10.18 *The views of the employed and the unemployed on the democratic system and on radical social change, 1977-1984 (in percent)*

	very dissatisfied with the working of the democratic system		supporting radical social change	
	employed	unemployed	employed	unemployed
1977-1978	7	15	6	10
(N =)	(1,494)	(94)	(1,482)	(94)
1979-1980	8	14	4	16
(N =)	(1,156)	(93)	(1,542)	(120)
1981-1982	7	17	6	15
(N =)	(749)	(103)	(1,130)	(149)
1983-1984	9	20	4	10
(N =)	(1,128)	(224)	(1,122)	(227)

Source: Eurobarometers

The extent to which rising unemployment has led to increasing social protest is less easily determined. Collective protest in the form of labour disputes and strikes has not increased: sit-ins and other spectacular collective actions such as the occupation of the Enka factory in Breda in 1972 (undertaken in protest against a threatened closure) have not so far been a feature of the 1980s, while over the period from 1971 to 1983 the correlation between unemployment rates and the proportion of working days lost through strikes was virtually zero. Indeed, the number of industrial disputes actually correlated inversely with unemployment rates.

Given the legislation governing the role of works councils and the length of time which must elapse between an application to dismiss employees and their actual dismissal, workers in the Netherlands have every opportunity to strike to save their jobs. It would also be possible for the unemployed to organize in defence of their interests, and in 1982 Wiebrens sketched a picture of organizations of social-benefit recipients. In his view such organizations had and could have little influence and would not become a factor of significance. Writing in 1986 it appears that Wiebrens was right. Kobben and Godschalk have shown that from January 1984 to April 1985 there were more reports in one Dutch newspaper of action by or for the unemployed than in the period from January 1980 to April 1981; they warned against any exaggerated view of the importance of such action, however, pointing out that even in the later period the reports covered a total of no more than eleven newspaper pages.
Our broad conclusion is thus that, if collective protest related directly to unemployment is taken as the indicator, the cohesion of Dutch society has declined little if at all with the growth of unemployment. The information we have on the views of the employed regarding the amount of social-insurance benefits points in the same direction. Only our data on attitudes to certain fundamental social institutions seem to indicate reduced social cohesion.

§13. Conclusion

This chapter has considered the social consequences of persistent high unemployment, dealing in its various sections with the component parts of the overall issue. This concluding section seeks to bring together the various answers found.

No great weight need be attached to our negative answer to the question whether increased unemployment has led to greater social protest. It is generally accepted that no broad movement of the unemployed has grown up.

There is perhaps one other negative answer which stands out: there has been no general widening of the gap between the employed and unemployed as regards aspects of their living circumstances. While at any given time between 1974 and 1983

the living circumstances of the unemployed have been inferior to those of the employed almost across the board, any widening of the gap in some respects has been offset by a narrowing in others. This finding may be explained by the ambiguous answer to the question whether rising unemployment has been coupled with an increasing concentration of unemployment among people with certain background characteristics: indications were found that rising unemployment was initially associated with such concentration, that as the rise continued concentration decreased and that the recent slight fall in unemployment seems to have been accompanied by a return to increasing concentration.

The finding that not all differences between the employed and unemployed have widened is tempered somewhat by the fact that as unemployment has risen movement between the "employed" and "unemployed" categories has declined, implying that an unemployed individual is now exposed to inferior living circumstances for longer than was formerly the case. We also found that in 1983 the living circumstances of the long-term unemployed were significantly inferior to those of people who had been out of work for less than a year. There is some slight indication that the recent fall in unemployment has been associated with increased mobility between the two categories. The focus on long-term unemployment in public debate and policy-making is thus fully justified, especially in the light of forecasts that the number of very long-term unemployed is unlikely to decline in the near future.

It appears that in the early 1980s social relations between the employed and the unemployed - as indicated by residence in the same neighbourhood, unemployment among friends and within the family and choice of friends - were relatively infrequent. No information is available on changes in these patterns over time.

The social consequences of the sharp rise in unemployment and its subsequent persistence at high levels can be summarized as follows: from 1974 to 1983 the differences between the living circumstances of the employed and the unemployed did not widen in all respects; rising unemployment has been associated with declining mobility between the "employed" and "unemployed" categories; and social relations between the employed and the unemployed have tended to be relatively limited. Since mobility and social relations are in principle as relevant to issues of social differentiation as are ever widening inequalities, our original question can be answered neither with undivided optimism nor with undivided pessimism.

While it is not usual to name the authors of individual chapters of the Social and Cultural Report it is only right and proper that we depart from this practice in the present case, since this chapter was not written by a member of the staff of the Social and Cultural Planning Office. Its author was Dr W.C. Ultee of Utrecht State University Institute of Sociology.